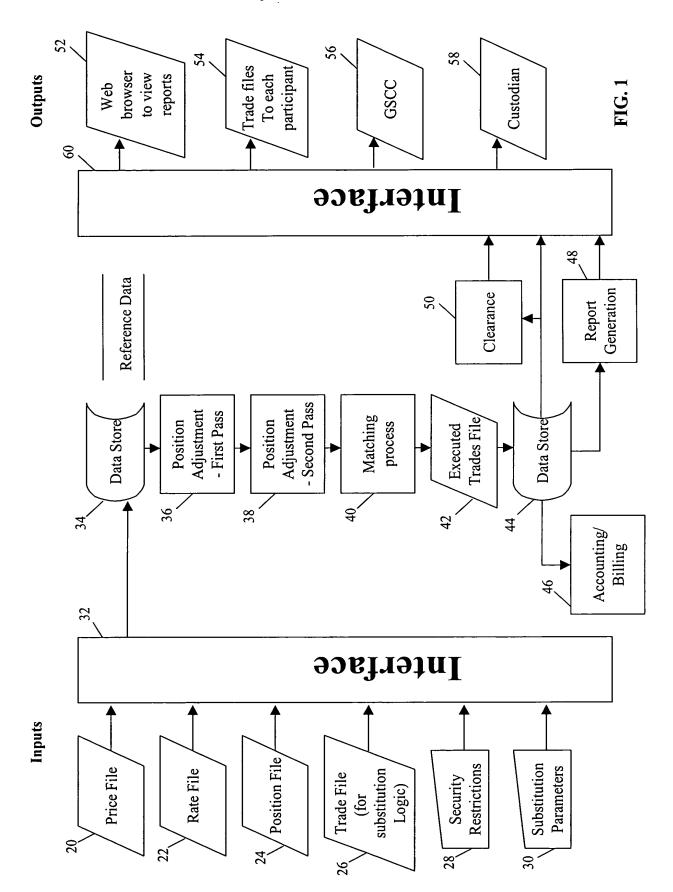
Inventor: Mellina Express Mail No. EV 316334512 US



Express Mail No. EV 316334512 US

S1

Utilizing input from the position file, the trades file, and substitution parameters, for each long position available for lending, determine an adjustment for day-to-day reverses, by (i) calculating a sum "t" of day-to-day reverses, (ii) obtaining a factor (percentage value) "u" from the substitution parameters file for the application asset class and transaction type, and (iii) multiplying the sum t by the factor u to obtain a product "w"

S2

Determine an adjustment for reverses with rights of substitution by (i) calculating a sum "x" of the reverses, (ii) obtaining a factor (percentage value) "y" from the substitution parameters file for the applicable asset class and transaction type combination, and (iii) multiplying the sum x by the factor y to obtain a product "z"

S3

Adjust the amount available for lending to be the greater of zero and the original long position minus the product w minus the product z

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Utilizing input from the position file, the trades file, and substitution parameters, for each short position available for borrowing, determine an adjustment for day-to-day repos by (i) calculating the sum "e" of the dayto-day repo, (ii) obtaining a factor (percentage value) "f" from the substitution parameters file for the applicable asset class and transaction type, and (iii) multiplying the sum e by the a factor f to obtain a product"g"

Determine an adjustment for repos with rights of substitution by (i) calculating the sum "j" of repos, (ii) obtaining a factor (percentage value) "k" from the substitution parameters file for the applicable asset class and transaction type combination, and (iii) multiplying the sum j by the factor k to obtain a product "m"

Adjust the amount available for lending to be the greater of zero and the original long position minus the product g minus the product m

FIG. 3

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S7

Utilizing the participant's position file with first round adjustments and security restrictions, for each participant long position for lending, make adjustments for percentage limitations by (i) multiplying the long position by the percentage allowed to lend to obtain a product "n", and (ii) adjusting the position available for lending to equal the lesser of the product n and the long quantity from the position file with first round adjustments

S8

Make adjustments for fixed quantity limitations by (i) adjusting the position available for lending to equal the lesser of the fixed quantity established in the security restriction file and the long quantity from the position file with first round adjustments

FIG. 4

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S9

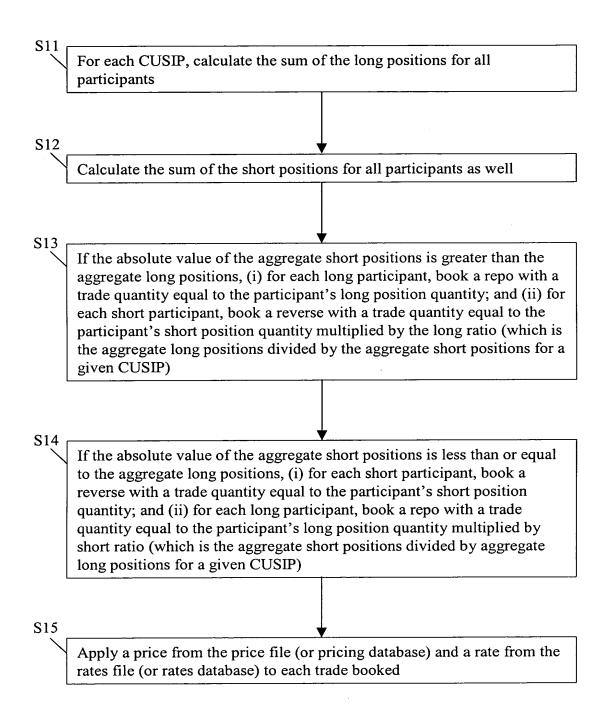
For each participant short position available for lending, make adjustments for percentage limitations by (i) multiplying the short position by the percentage allowed to borrow to obtain a product "p", and (ii) adjusting the position available for borrowing to equal the lesser of p and the short quantity from the position file with first round adjustments (wherein it is assumed that the quantities are represented as positive numbers)

S10

Make adjustments for fixed quantity limitations by adjusting the position available for lending to equal the lesser of the fixed quantity established in the security restriction file and the short quantity from the position file with first round adjustments (wherein it is likewise assumed that the quantities are represented as positive numbers)

FIG 5

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Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade
	Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade
		Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade
			Overnight Trade	Forward Overnight Trade	Forward Overnight Trade	Forward Overnight Trade
				Overnight Trade	Forward Overnight Trade	Forward Overnight Trade
		·				
					Overnight Trade	Forward Overnight Trade
FIG. 7						Overnight Trade

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